

**A STATUS REPORT ON
THE PREFERRED
PROCUREMENT PROGRAM
FOR BIOBASED PRODUCTS**

Food And Biobased Cafeteriaware Composting Round Table

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Dr. Marvin Duncan
Senior Agricultural Economist
USDA/Office of the Chief
Economist/Office of Energy
Policy and New Uses

FEDERAL BIOBASED PRODUCTS PREFERRED PROCUREMENT PROGRAM

- Provides that Federal agencies must purchase biobased products designated by this program
- Authority for the program included in the Farm Security and Rural Investment Act (FSRIA) of 2002

SECTION 9002 OF FSRIA SETS OUT FEDERAL AGENCY REQUIREMENTS

- The Act defines biobased products as commercial or industrial products that are composed, in whole or in significant part, of biological products or renewable domestic agricultural materials (including plant, animal, and marine materials) or forestry materials

WHY DID CONGRESS CREATE THIS PROGRAM?

- To spur demand growth for new biobased products
- To grow demand for agricultural commodities
- To encourage development of processing and manufacturing in rural communities
- To capture environmental benefits
- To enhance the Nation's energy security

WHAT DOES THE PROGRAM REQUIRE?

- All Federal agencies must purchase biobased products that have been designated by the program, unless:
 - The products are not reasonably available
 - The products fail to meet performance standards for the application intended
 - The products are available only at an unreasonable price

WHAT DOES THE PROGRAM DO FOR FEDERAL AGENCIES?

- Encourages purchase of more environmentally sustainable products
- Helps Agencies identify those products
- Will increase the availability and diversity of biobased products

WHAT DOES THE PROGRAM DO FOR MANUFACTURERS AND VENDORS?

- Creates a preferred market for biobased products
- Provides large scale demonstration of biobased products performance in use
- Spurs development of new biobased products
- Develops alternatives to fossil energy based products

EXCLUSIONS FROM THE PROGRAM

- The following product groups are excluded from the program by statute:
 - Food and feed
 - Motor vehicle fuels
 - Electricity

PROPOSED USE AS FUEL ADDITIVES

- Ethanol as a fuel additive
 - Less than a 10 percent blend
 - Primary market may be to enhance air quality
- Biodiesel as a fuel additive
 - Less than 10 percent blend
 - Primary market may be lubricity for fuel pumps and injectors

FEDERAL AGENCIES MUST ASSURE THEIR SPECIFICATIONS COMPLY

- Within one year after guidelines are issued, assure that agency specifications require use of biobased products
- Agencies must create procurement program
 - A biobased products preference program
 - An agency promotion program
 - An annual review and monitoring of effectiveness of agency's program

REQUIREMENT APPLIES TO:

- Purchase or acquisition of a procurement item where the purchase price exceeds \$10,000, Or,
- Where the quantity of such items purchased in the preceding fiscal year was \$10,000 or more
- Requirement is applied at agency level

TO USE THE PROGRAM A MANUFACTURER CAN:

- Claim coverage under the program for all products for which generic groupings of products have been designated by rule making
- Certify that a product's biobased content is consistent with statutory definition
- Certify biobased content meets minimum requirement, using ASTM standard test

ADMINISTRATIVE PROCEDURES ACT

- Constrains what OEPNU can say about details of rules in clearance
- Purpose is to provide level playing field for stakeholders in rule making
- Public comment period offers stakeholders an opportunity to make views known
- All public comments considered in drafting final rules

STATUS OF IMPLEMENTING THE PROGRAM

- Final rule to establish program has been published in *Federal Register*, January 11, 2005
- Proposed rule to designate the first six items (groupings of products) for preferred procurement under the program has been published in the *Federal Register*, July 5, 2005
- Final rule to designate first six items is in clearance in USDA
- Plans are for subsequent designation rules to designate balance of items as soon as possible

ITEMS PROPOSED FOR DESIGNATION

- Mobile equipment hydraulic fluid
- Urethane roof coatings
- Water tank coatings
- Diesel fuel additives
- Penetrating lubricants
- Bedding, bed linens, and towels

IMPLEMENTATION STATUS, CONTINUED

- As many as 36 items (groupings of products) expected to be proposed for designated for preferred procurement under the program this calendar year
- OEPNU has currently identified 130 items to be designated
- A proposed rule to establish the voluntary “U.S.D.A. Certified Biobased Product” labeling program is in clearance in USDA

EXAMPLES OF PRODUCT ITEMS

- Two cycle engine oils
- Metal complex grease
- Janitorial cleaners
- Industrial cleaners
- Hand cleaners/Sanitizers
- Composite panels
- Biodegradable films

DESIGNATING PRODUCT ITEMS

- Must be done by rule making process
 - Proposed rule
 - Public comment period
 - Final rule
- USDA must consider information on
 - Product availability
 - Economic and technological feasibility of use, including life cycle costs

DESIGNATING PRODUCT ITEMS

- USDA must also provide information to Federal agencies concerning:
 - Relative price
 - Performance
 - Environmental and public health benefits
 - And, where appropriate, recommend a level of biobased content in the procured product

SHORT LIFE PRODUCTS

- When Designating Such Items, FB4P Will Require Products To Meet ASTM Bio-Degradability Standards
- Compostability Will Not Be Sufficient To Qualify For Preferred Procurement

MANUFACTURERS CAN HELP USDA GET PRODUCTS DESIGNATED

- We need information on a number of individual products within an item (generic grouping) in order to designate that grouping by rule
- Please contact Steve Devlin at Iowa State University with product information. His phone is 515-294-5416
- Our website: www.biobased.oce.usda.gov is a good source of information on this program

USDA IS DEVELOPING A MODEL PROCUREMENT PROGRAM

- Under leadership of Departmental Administration
- In coordination with the Office of Federal Procurement Policy of OMB
- This program will be available to all Federal agencies
- Its purpose is to train agencies, educate, and promote use of biobased products

Conclusion

- A final rule establishing the program has been issued on January 11, 2005
- The proposed rule to designate the first six items (groupings of products) eligible for preferred procurement has been published on July 5, 2005; a final rule is in clearance
- A model procurement program will aid Federal agencies in purchasing biobased products
- A proposed rule for a voluntary labeling program will be ready for public comment this fiscal year

